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*Attorneys for Defendants Michael J. Principe,
Blue Equity, LLC, and Blackwave Sports
Investment Company, LLC*

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PIPER JAFFRAY & CO.,

Plaintiff,

-against-

MICHAEL J. PRINCIPE, BLUE EQUITY LLC,
BEST, and BLACKWAVE SPORTS
INVESTMENT COMPANY, LLC,

Defendants.

Civil Action No. 1:10-CV-4978 (NRB)

ECF CASE

ANSWER OF DEFENDANTS
MICHAEL J. PRINCIPE, BLUE
EQUITY, LLC, AND
BLACKWAVE SPORTS
INVESTMENT COMPANY, LLC
TO AMENDED COMPLAINT

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Defendants Michael J. Principe (“Principe”), Blue Equity, LLC (“Blue Equity”),
and Blackwave Sports Investment Company, LLC (“Blackwave Sports” and collectively
with Principe and Blue Equity, “Defendants”), by counsel, for their Answer to the
Complaint state as follows:

1. With respect to the allegations set forth in Paragraph 1 of the Complaint,
Defendants state that the Engagement Letter speaks for itself. To the extent the

introductory allegations of Paragraph 1 are inconsistent with the Engagement Letter, the allegations are denied. All other allegations therein are denied.

2. Defendants deny the allegations set forth in Paragraphs 2 and 3.

3. Defendants admit the allegations set forth in Paragraph 4.

4. Defendants deny the allegations set forth in Paragraph 5.

5. Defendants are without sufficient information to form a belief as to the truth of the allegations set forth in Paragraph 6 and therefore deny same.

6. With respect to the allegations set forth in Paragraph 7, Defendants admit that Principe is an individual who resides in Brooklyn, New York, was the COO of Blue Equity during certain periods, with an office at 220 West 42nd Street, New York, New York 10036, and was one of the directors of Blackwave Sports during certain periods. To the extent the allegations are inconsistent with these statements, they are denied.

7. Defendants deny the allegations set forth in Paragraphs 8, 9 and 10.

8. With respect to the allegations set forth in Paragraph 11, Defendants state that the Engagement Letter speaks for itself. To the extent the allegations are inconsistent with the Engagement Letter, the allegations are denied, and Defendants also deny that a “Transaction” as defined under the Engagement Letter occurred. All other allegations are denied.

9. Defendants are without sufficient information to form a belief as to the truth to the allegation set forth in Paragraphs 12, 13 and 14 and therefore deny same.

10. With respect to the allegations set forth in Paragraphs 15 and 16, Defendants state that the Engagement Letter speaks for itself. To the extent the

allegations are inconsistent with the Engagement Letter, the allegations are denied. Defendants also deny that a “Transaction Fee” is due. All other allegations are denied.

11. With respect to the allegations set forth in Paragraph 17, Defendants deny the allegations of the first sentence. With respect to the remaining allegations, Defendants state the documents speak for themselves. To the extent a response is required, the allegations are denied.

12. Defendants deny the allegations set forth in Paragraphs 18.

13. With respect to the allegations set forth in Paragraph 19, Defendants admit that copies of the demand letter and invoice attached as Exhibit D to the Complaint were sent to Defendant Principe, as COO of Blue Equity, and David Roth, as Vice-Chairman of Blue Equity. Defendants deny all remaining allegations.

14. With respect to the allegations set forth in Paragraph 20, Defendants restate and incorporate their responses to the allegations set forth in Paragraphs 1 – 19 as if fully set forth herein.

15. Defendants admit the allegations set forth in Paragraphs 21 and 22.

16. Defendants deny the allegations set forth in Paragraph 23.

17. With respect to the allegations set forth in Paragraph 24, Defendants admit that copies of a demand letter and invoice were sent to Defendant Principe, as COO of Blue Equity, and David Roth, as Vice-Chairman of Blue Equity. Defendants deny all remaining allegations.

18. Defendants deny the allegations set forth in Paragraph 25.

19. With respect to the allegations set forth in Paragraph 26, Defendants restate and incorporate their responses to the allegations set forth in Paragraphs 1 – 25 as if fully set forth herein.

20. Defendants deny the allegations set forth in Paragraph 27.

21. Defendants deny the allegations set forth in Paragraphs 28, 29, 30, 31 and 32.

22. All allegations not specifically admitted herein are denied.

FIRST AFFIRMATIVE DEFENSE

23. Plaintiff's Complaint fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

24. This Court lacks personal jurisdiction over defendants Blue Equity and Blackwave Sports.

THIRD AFFIRMATIVE DEFENSE

25. Plaintiff's Complaint is barred by the doctrines of waiver and estoppel.

FOURTH AFFIRMATIVE DEFENSE

26. Plaintiff's Complaint is barred by the doctrine of laches.

FIFTH AFFIRMATIVE DEFENSE

27. Plaintiff is equitably estopped from claiming entitlement to any fee pursuant to the Engagement Letter.

SIXTH AFFIRMATIVE DEFENSE

28. Plaintiff breached its duties of good faith and fair dealing owed to Defendants.

SEVENTH AFFIRMATIVE DEFENSE

29. Plaintiff's Complaint is barred by conditions precedent necessary to the exercising of any rights under any agreement or Engagement Letter.

EIGHTH AFFIRMATIVE DEFENSE

30. The venue in the United States District Court for the Southern District of New York is improper.

WHEREFORE, the Defendants ask for the following relief:

1. Dismissal of Plaintiff's Complaint with prejudice;
2. Trial by jury on all issues so triable which can be so tried;
3. Their costs herein expended;
4. Reasonable attorneys' fees;
5. A declaration of rights pursuant to the Engagement Letter; and
6. Any and all further relief to which they may appear entitled.

Dated: New York, New York
October 5, 2010

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Investment Company, LLC*

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Answer to Amended Complaint was filed and served this 5th day of **October** on the following pursuant to the CM/ECF system:

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